

Dealing with Job Loss

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In the reality of the modern workforce, most individuals, at some point, will face an unexpected job loss. Companies release employees for many reasons: restructuring, downsizing, changes in cyclical demand, and other reasons out of their control.

Here are tips to help individuals and families cope with job loss.

Tip 1: Stay calm. Unexpected job loss can cause anxiety, sleeplessness, a change in appetite, and depression. Family needs still need to be met, so it's helpful to remain calm so you can make sound decisions and find new employment. Remember that the unexpected always happens in life. Job security has diminished significantly. The typical individual will change jobs several times over the course of a lifetime.

Tip 2: Apply for unemployment insurance benefits. Unemployment insurance is a combined federal and state program. The program receives much of its funding from the federal government, but it is administered by each state. The insurance program provides unemployment benefits to eligible workers. To qualify, individuals must prove they are unemployed through no fault of their own, as determined under state law. Each state sets the requirements for its citizens to receive unemployment insurance benefits.

For more information on this topic, visit <http://dir.alabama.gov/uc/>. In Alabama, call 1-866-234-5382 toll free to apply for unemployment insurance benefits.



Tip 3: Evaluate all income sources. Each individual or family should take a critical look at all sources of income before creating an emergency spending plan. In some cases, when an individual is released from employment, the company he or she worked for will offer financial and other benefits. It is important to contact the previous employer to determine if such programs exist and if you are eligible to participate. Some employers offer a severance package and educational and unemployment insurance filing assistance.

Tip 4: Develop an emergency spending plan. The length of unemployment can vary from a few days to years. Each family should begin the process of developing an emergency budget as soon as possible. Lifestyle and spending habits may have to change to meet current income levels. Families should try to maintain some sense of stability and conserve resources. Minimize or postpone taking vacations, going to movies, eating out, and purchasing clothing, toys, and other luxury items until you find another job.

Tip 5: Consider temporary insurances.

Health insurance may seem like a luxury when you first lose your job. However, if for some reason you or a family member becomes ill, health insurance could literally be a life saver. There are various ways to acquire health insurance, and your previous employer may offer some type of benefit. The federal government, through Title X of the 1986 Consolidated Omnibus Budget Reconsolidation Act (better known as COBRA) established guidelines for temporary health insurance. Also available are preferred provider and health maintenance organizations, high-deductible health plans, and health savings accounts.

Tip 6: Find temporary work. Find temporary work even if it does not pay as much as your previous job. Temporary work will reduce your unemployment benefits in the short term, but it may provide some fringe benefits and reduce out-of-pocket costs significantly. While your cash income may decrease, your overall financial situation may improve. If an individual can secure temporary employment long enough, it may, in some cases, reset the unemployment insurance benefits. Temporary agencies as well as the Alabama Industrial Relations Unemployment Office may be able to assist you.

Tip 7: Keep looking for permanent work. The search for permanent work to replace your old job should begin as soon as possible. Look for temporary and permanent work immediately. Explore all options. It is important to find a stable, short-term or long-term job before unemployment insurance benefits are no longer available. Even though a job may not be equal to your previous one, consider it if it is stable. Apply for as many vacant positions as possible in every area that you could be considered reasonably qualified.

Tip 8: Evaluate education and career goals. At some point in the first month or so after losing a job, evaluate your educational and career goals. In some cases, you may become unemployed because of a change in the economy. Declines in some sectors of the economy may signal a time to retrain and enter a different line of work. Additional education and training could make you more marketable to employers in your current field or in a new area. Some training may require limited time and investment, and some may even be free. Other types of education and training may require significant commitment. The end objective is to find a new job, but it may also be time to find a new career. Careers often require some level of education or training.



Online Resources

Extension offers various online publications and other resources to help you in your job search or to help you handle household finances during this time. These include UNP-4, "Job Hunting Kit," UNP-105, "Ten Tips to Financial Planning," and UNP-75, "If You Can't Pay Your Bills." Find these and other helpful Extension publications at <http://www.aces.edu/pubs>.

Visit <http://www.wecan4u.net> for a list of resources and current job openings in the state of Alabama. If you do not have computer access, contact your local Extension office for further assistance.

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For more information, call your county Extension office. Look in your telephone directory under your county's name to find the number.

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